

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 92-098-T - ORDER NO. 92-601 ✓
JULY 29, 1992

IN RE: Application of Drug Transport, Inc.,) ORDER
1939 Forge Street, P. O. Box 1678,) GRANTING
Tucker, GA 30085-1678, for a Class E) APPLICATION
Certificate of Public Convenience)
and Necessity.)

This matter comes before the Public Service Commission of South Carolina (the Commission) by way of an Application filed by Drug Transport, Inc. (Drug Transport, the Applicant, or the Company) filed on February 3, 1992, for a Class E Certificate of Public Convenience and Necessity to transport:

COMMODITIES IN GENERAL, AS DEFINED IN R.103-211(1);
ALSO EXCLUDING BANK COURIER COMMODITIES AND COMMODITIES
COMMONLY TRANSPORTED IN ARMORED VEHICLES: Between
points and places in South Carolina.

The Commission's Executive Director instructed the Applicant to publish a prepared Notice of Filing in newspapers of general circulation in the affected areas. The purpose of the Notice of Filing was to inform interested parties of the Application and the manner and time in which to file appropriate pleadings for participation in a proceeding. The Applicant complied with this instruction and provided the Commission the proof of publication of the Notice of Filing. A Petition to Intervene was received from Southeastern Freight Lines, Inc.

A hearing was held on July 15, 1992 at 10:30 a.m., in the

Commission's Hearing Room, the Honorable Rudolph Mitchell, Vice-Chairman, presided. The Applicant was represented by Robert T. Bockman, Esquire, and John Martin, Esquire; the Intervenor, Southeastern Freight Lines, Inc. was represented by F. Lee Prickett, Jr., Esquire; and the Commission Staff was represented by F. David Butler, Staff Counsel. The Applicant presented the testimony of eight (8) witnesses: John J. DaRin, Rolly Blythe, Phil A. Branson, Candy Ball, Vaughn Kee, Carl Cromer, Robert Walker, Jr., and Shirley Sawyer. The Intervenor, Southeastern Freight Lines, Inc. (Southeastern) presented the testimony of Woody Tillman, Michael C. Sexton, and John Rader. The Commission Staff presented no witnesses.

The Applicant presented the testimony of John J. DaRin, President of the Transportation Division of Drug Transport, Inc. DaRin testified to the Applicant's fitness, willingness, and ability to transport commodities in general. The Applicant's witness also testified concerning the equipment owned, the Company's safety record, experience in hauling commodities in general, and other pertinent matters. DaRin noted that Drug Transport hired drivers who are hazardous materials certified, and all drivers have commercial drivers licenses. Drug Transport at present possesses Interstate Certificate of Public Convenience and Necessity No. 8867, to carry commodities as authorized by the Interstate Commerce Commission (ICC) under Docket No. MC-166323. DaRin further stated that Drug Transport, Inc. presently has 250 customers in South Carolina, and other states, many of which are

members of the Fortune 500. DaRin also stated that in September 1991, that the Company opened a terminal in Columbia, South Carolina, and that the Company has intrastate authority in Georgia. DaRin further noted that, at this time, the Company's operating ratio was 99%, and that the Company carries pharmaceuticals 50% of the time. DaRin also requested that the Commission grant his company general commodity intrastate authority in South Carolina.

The Applicant also presented the testimony of several shippers, who stated that, should the Commission grant the general commodities intrastate authority to Drug Transport, that they would employ the services of the Company. Candy Ball, the Receiving and Office Manager of National Distributors, stated that she wished to use Drug Transport's services within the State. She stated, that although service has been excellent with the carriers which presently have intrastate commodities authority, that there is always room for more carriers, and she is always looking for service, quality, and good rates. Vaughn Kee, Vice President of National Speciality, a supplier of building products stated that he was unable to get the timely service that he needed with the carriers presently possessing intrastate general commodities authority. Carl Cromer, owner and President of Columbia Engine Supply, stated that there was a need, in his opinion, for more and better carriers, that there is a need for better service, and that although he can get next day service for most areas in South Carolina, there are areas that present carriers cannot ship his product to by the next day. He stated that there was a real need

for an additional transporter that could do so. Rolly Blythe, District Area Manager for McKesson Drug, stated that he had utilized the services of Drug Transport, Inc. when he worked in Augusta and Charlotte. He wished to use the services of Drug Transport intrastate in South Carolina. Robert Walker, Jr., the President of Rose Talbert Paint Company, stated that, although his needs are fairly well met at the present time by two other carriers, he felt that there should be more competition among general commodities carriers. Shirley Sawyer, the Manager of Airkem-Envirotech, a janitorial maintenance supply company, stated that, she can only get overnight service some 50% of the time from her present carriers. She believes that Drug Transport can furnish her with overnight service at her request at any time. Phil Branson, District Manager of Smith Kline Beecham, Consumer Brands, states that he had used Drug Transport since 1985 in Georgia, and 1990 in Alabama, and that the Company's service was excellent in both states. He also stated that he would use Drug Transport if it were certificated for intrastate commodities authority by this Commission.

Southeastern Freight Lines, Inc., the Intervenor, presented the testimony of Woody Tillman, Southeastern's Traffic Manager. Tillman testified that Southeastern presently had intrastate authority, that Southeastern strives for next day delivery and tries to meet the special needs of its shippers. Tillman further stated that the intrastate general commodities less-than-truckload market in South Carolina has been stagnant, and that further, he

strongly felt that the customers' needs for such services were being met now by his Company and other companies like his. Southeastern also presented the testimony of Michael Sexton of Wilbur Smith & Associates, who presented a study and survey of South Carolina shippers and receivers of less-than-truckload intrastate freight in South Carolina. This is an update of the study previously done by Wilbur Smith & Associates. Among other findings, the survey noted that shippers are now using more carriers in 1992 than 1990, although Sexton's conclusion was that as a result of the survey, the shipping needs for less-than-truckload lots are presently being met by existing carriers. Further, Southeastern presented the testimony of John Rader, Vice President of Pricing and Traffic for Southeastern Freight Lines. Rader stated that, at present, there were sixteen (16) to eighteen (18) companies in major competition with Southeastern Freight Lines in South Carolina in this market. Rader further stated that the South Carolina market is not expanding in this area as other markets are, and that present companies certificated for commodities in general are meeting shipper needs. Rader further stated his opinion that new carriers would weaken the present carrier network. Also, Rader noted that next day service is actually industry standard. Rader further stated his belief that the South Carolina market could not support another entrant into the market place for commodities in general.

Upon consideration of this matter, the Commission, upon examination of the record as a whole, has concluded that the

Applicant is fit, willing, and able to carry out the business of intrastate transportation of commodities in general between points and places in South Carolina. Although there is some evidence for the fact that shippers' needs are presently being met by the present certificated carriers, the Commission is impressed with the large number of shippers who have appeared in this proceeding, and stated that they would like to utilize the services of the Applicant, if indeed, the Applicant was certificated for intrastate authority in South Carolina. Further, the Commission notes that the Wilbur Smith study found that shippers are using more carriers in 1992 than in 1990. Based upon the evidence as a whole, and the reasoning as stated above, the Commission believes that the Certificate as requested by the Applicant should be granted.

IT IS THEREFORE ORDERED:

1. That the relief sought in the Application for a Class E Certificate of Public Convenience and Necessity is granted.

2. That the Applicant file the proper license fees and other information required by S.C. CODE ANN. §58-23-10, et seq. (1976), as amended, and by R.103-100 through R.103-280 of the Commission's Rules and Regulations for Motor Carriers, S.C. CODE ANN., Vol. 26 (1976), as amended, within sixty (60) days of the date of this Order or within such additional time as may be authorized by the Commission.

3. That upon compliance with S.C. CODE ANN. §58-23-10, et seq. (1976), as amended, and the applicable provisions of R.103-100 through R.103-280 of the Commission's Rules and Regulations for

Motor Carriers, S.C. CODE ANN., Vol. 26 (1976), as amended, a certificate shall be issued to the Applicant authorizing the motor carrier services granted herein.


4. That prior to compliance with such requirements and receipt of a certificate, the motor carrier services authorized herein may not be provided.

5. That this Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


VICE Chairman

ATTEST:


Deputy Executive Director

(SEAL)